

ASSEMBLY BILL

No. 1631

Introduced by Assembly Member Klehs

February 22, 2005

An act to add Section 19136.12 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1631, as introduced, Klehs. Tax installment underpayments.

The Personal Income Tax Law imposes a penalty on a taxpayer who underpays an estimated income tax. That law also specifies that a penalty may not be imposed for an underpayment in specified taxable years if the underpayment was created or increased by specified changes in law.

This bill would preclude a penalty from being imposed for an underpayment of an installment for the 2004 taxable year for any period before April 15, 2005, if the underpayment was created or increased by a specified change in law in that taxable year.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19136.12 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 19136.12. (a) No addition to tax shall be made under Section
- 4 19136 for any period before April 15, 2005, with respect to any

1 underpayment of an installment for the 2004 taxable year, to the
2 extent that the underpayment was created or increased by the
3 amendment of Section 17052.2 by Chapter 226 of the Statutes of
4 2004.

5 (b) The Franchise Tax Board shall implement this section in a
6 reasonable manner.

7 SEC. 2. This act is an urgency statute necessary for the
8 immediate preservation of the public peace, health, or safety
9 within the meaning of Article IV of the Constitution and shall go
10 into immediate effect. The facts constituting the necessity are: In
11 order to provide relief to certain taxpayers that would be
12 otherwise and unreasonably penalized, it is necessary that this act
13 take effect immediately.